

106TH CONGRESS
2D SESSION

H. R. 3834

To amend the rural housing loan guarantee program under section 502(h) of the Housing Act of 1949 to provide loan guarantees for loans made to refinance existing mortgage loans guaranteed under such section.

IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 2000

Mr. ANDREWS introduced the following bill; which was referred to the
Committee on Banking and Financial Services

A BILL

To amend the rural housing loan guarantee program under section 502(h) of the Housing Act of 1949 to provide loan guarantees for loans made to refinance existing mortgage loans guaranteed under such section.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Homeowners Financ-
5 ing Protection Act”.

1 **SEC. 2. GUARANTEES FOR REFINANCING LOANS.**

2 (a) IN GENERAL.—Section 502(h) of the Housing
3 Act of 1949 (42 U.S.C. 1472(h)) is amended by adding
4 at the end the following new paragraph:

5 “(13) GUARANTEES FOR REFINANCING
6 LOANS.—The Secretary shall guarantee a loan that
7 is made to refinance an existing loan guaranteed
8 under this subsection and that the Secretary deter-
9 mines complies with the following requirements:

10 “(A) INTEREST RATE.—The refinancing
11 loan shall have a rate of interest that is fixed
12 over the term of the loan and does not exceed
13 the interest rate of the loan being refinanced.

14 “(B) SECURITY.—The refinancing loan
15 shall be secured by the same single-family resi-
16 dence as was the loan being refinanced, which
17 shall be owned by the borrower and occupied by
18 the borrower as the principal residence of the
19 borrower.

20 “(C) AMOUNT.—The principal obligation
21 under the loan shall not exceed an amount
22 equal to the sum of the balance of the loan
23 being refinanced and such closing costs as may
24 be authorized by the Secretary, which shall in-
25 clude a discount not exceeding 2 basis points

1 and an origination fee not exceeding such
2 amount as the Secretary shall prescribe.

3 “(D) PAYMENT STATUS.—The borrower
4 shall not be more than 2 months delinquent in
5 payments on the loan being refinanced.

6 “(E) TERM.—The term of the refinancing
7 loan may not exceed the original term of the
8 loan being refinanced by more than 10 years.

9 The provisions of the last sentence of paragraph (1)
10 and paragraphs (2), (5), (9) shall apply to loans
11 guaranteed under this subsection, and no other pro-
12 visions of paragraphs (1) through (12) shall apply to
13 such loans.”.

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